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CHANGES NOTED IN THIRD 1977 OUTLOOK
FOR WORLD MEAT PRODUCTION AND TRADE

A reduction in expected Argentine beef exports is one of the principal changes in world meat production and trade prospects for 1977 that has occurred since the last estimate on April 1. Initial expectations of a more generous opening in the European Community beef market have proved to be over-optimistic and as a consequence Argentine export estimates have been lowered by 70,000 tons (carcass weight). Still, the expected shipments are likely to equal last year's 530,000 tons--the highest since 1972.

Because of a lack of producer confidence resulting from continued EC beef import restrictions, Argentine beef production estimates are now placed at nearly 2.7 million tons--up 80,000 tons from the April 1 estimate, but 5 percent below 1976's record production. However, uncertainties about world grain prices may make producers reluctant to switch from grazing to crop production, and thus may slow down the rate of cattle slaughter.

Pork production in the United States is not expected to achieve the levels earlier forecast due to a slowdown in the production cycle because of the severe winter, and disease problems. Production is now forecast to reach nearly 6 million tons--up 8 percent from that of 1976, but about 250,000 tons below the production estimate made on April 1. Somewhat offsetting the reduced pork production estimate will be a higher beef output of about 75,000 tons. This will raise beef production for the year to nearly 11.7 million tons--about 4 percent below the record established in 1976 but still the second highest.

The U.S. International Trade Commission is investigating beef and cattle imports under Section 201 of the 1974 Trade Act to determine if they are a cause of substantial injury to the U.S. cattle industry. The report is to be published in the Federal Register on or before September 17, and will be submitted to the President with recommendations if injury is found.

On June 19, the Canadian Government implemented a licensing procedure governing trade in fresh, chilled, or frozen beef and veal to ensure that agreements with supplying countries (Australia, New Zealand, and the United States) and commitments to the United States were upheld.

Early in 1977 the Canadian Government exchanged notes with the United States agreeing to limit exports to the United States to 75 million pounds (product weight) for the year. As of June 11, 65 percent of this quantity had been filled. Export/import controls were deemed necessary to insure a more orderly pattern of shipments for the rest of the year.

As a result of the above changes, meat production in the key commercial markets of the world--the United States, Canada, the EC, and Japan--is now forecast at 46.1 million tons in 1977--218,000 tons above the previous record established in 1976. Larger pork and poultry production is expected to more than offset the declines in beef and sheep-meat in the United States, the EC, and Canada. Unlike the others, Japanese beef production is forecast to increase this year.

Net meat imports into these markets are expected to be about 130,000 tons (carcass weight) lower in 1977 than in 1976, and total 1.86 million tons. Net beef and veal imports are projected to be about 27,000 tons greater in 1977 than in 1976 while pork imports are expected to fall by about 104,000 tons.

In the major exporting countries of Oceania and Latin America, beef and veal exports are forecast to be 143,000 tons (carcass weight) larger than in 1976. Sales to the Soviet Union by Oceania, shipments to the Middle East, and exports to other Latin American countries, notably Venezuela, have helped remove the surpluses.

Major Importers

United States

Total U.S. meat production in 1977 is currently forecast at 23.3 million tons, down slightly from the estimate made on April 1, 1977 and the level produced in 1976. An expected 4 percent decrease in beef and veal output should more than offset a 4 percent rise in combined pork and poultry production.

Cattle slaughter during January-May dropped 3 percent compared to year-earlier levels. Nonfed slaughter was down significantly while fed slaughter increased slightly.

For the second half of 1977 cattle slaughter is expected to be down 5-7 percent. Fed cattle slaughter during this time should be 2-3 percent above the 1976 level. Nonfed slaughter will continue well below last year's level for the remainder of 1977, though the continuation of the drought in many parts of the country could cause higher than expected nonfed slaughter and beef production. Despite the anticipated slowdown in cow and heifer slaughter, beef cow numbers in the United States are expected to drop further during 1977.

Choice steer prices at Omaha were around \$95 per 100 kilograms in late April and early May. However, they declined slowly in the latter part of May and much of June. Steer prices are expected to remain in the \$93-97 range through the summer and into the fall, but much depends upon weather conditions.

Hog slaughter is expected to increase to 78 million head, about 4 percent above the 1976 level. Most of the increase will come in the first half of the year. Pork production is expected to total about 6 million tons, 6 percent above the 1976 level. Because of this large increase in output, slaughter hog prices are expected to be about \$5-7 below last year's \$97 per 100 kilogram average.

Poultry production is forecast to increase almost 4 percent in 1977, a much slower pace than the 11 percent increase in 1976. Most of the increase will be in broilers as turkey production is forecast to remain the same or decline slightly from the 1976 level.

Net beef and veal imports in 1977 are currently forecast at 860,000 tons (carcass weight), slightly over 1 percent below both the April 1 estimate and the 1976 level. Total beef and veal imports in 1977 are expected to total around 900,000 tons (carcass weight). Through May U.S. beef and veal imports totaled 255,000 tons (product weight), 10 percent below the 1976 level. Imports of fresh, chilled and frozen beef and veal subject to the Meat Import Law were about 9 percent below last year's, mostly because of

lower shipments from Australia and New Zealand. Through June 4, approximately 35 percent of the Australian and 40 percent of the New Zealand restraint levels were filled with 42 percent of the year having elapsed. Both countries have indicated their intent to fill the restraint quantities and expect larger shipments to the United States in the last half of the year, following completion of contracts to deliver meat to the Soviet Union.

Imports of prepared and preserved beef, mostly from Argentina and Brazil, in the first 5 months of this year totaled 31,300 tons (product weight), about equal to the year-earlier level. The reinstitution of the 7.5 percent ad valorem duty on canned corned beef imports from Argentina and Brazil on March 1 should tend to dampen this trade during the remainder of the year.

U.S. beef and veal exports are expected to drop to about 40,000 tons (carcass weight) in 1977 because of lower shipments to Japan.

Net pork imports are forecast to increase to 60,000 tons (carcass weight) in 1977 as a result of expected lower shipments to Japan. Net poultry exports, meanwhile, are forecast to total 200,000 tons--about 10 percent above the 1976 levels. Most of this increase will be in chicken meat exports as those of turkey meat may decline.

European Community

EC meat production in 1977 is currently forecast at 18.3 million tons, about the level forecast on April 1. Beef and veal production is forecast to decline by 4 percent. However, a 3 and 4 percent rise, respectively, in pork and poultry output, will likely offset the drop in beef production.

Because of an expected rebuilding of cattle herd numbers in 1977, EC cattle slaughter had been forecast to drop 3 to 4 percent, with cow slaughter likely down more than 5 percent. However, the new dairy reform package aimed at reducing the EC dairy surplus may cause higher than expected cow slaughter in certain countries. It is estimated that in West Germany the program could raise July-December slaughter by 80,000-100,000 head above the level which would have occurred without the program. In most other areas, however, the effect should not be very significant.

For the 1977-78 marketing year beginning April 1, the EC guide price was increased by 3.5 percent to 122.9 units of account per 100 kilograms (about \$165 per 100 kilograms). As before, the intervention price is 90 percent of the guide price.

Pork production in the Community is forecast to rise by almost 3 percent in 1977 to nearly 8.2 million tons, with gains indicated in each country. Poultry meat production is forecast to increase over 3 percent to 3.4 million tons, with all the countries showing some gain--except Ireland, the smallest producer, where production is forecast to remain the same. The greatest percentage increase is indicated for the United Kingdom, third largest producer in the E.C.

Net EC imports of beef and veal in 1977 are currently forecast at 190,000 tons (carcass weight), down 5 percent from the April 1 estimate. Total beef and veal imports are forecast at 315,000 tons (carcass weight), 7 percent above the 1976 level. Since EC cattle prices are currently at 87 percent of the guide price, 114 percent of the basic levy is being applied to beef and veal imports from third countries. With intervention stocks still relatively high (about 267,000 tons, product weight), and with a possible 1-2 percent decline in EC beef consumption this year, beef imports in 1977 should not rise significantly above the 1976 level despite the removal of the previous beef import safeguards in April.

Slightly under 15,000 tons (carcass weight) of beef were expected to be imported during April-June at reduced levies under the manufacturing beef quota. Another 50,000 tons will be imported under this program during July-December.

EC exports of beef and veal are forecast at 125,000 tons (carcass weight), down about one-fourth from the 1976 level. The lower availability of beef in the Community in 1977 will reduce shipments to third countries. Neither Ireland nor the United Kingdom is expected to export beef to the United States in 1977.

The larger supplies of pork are expected to make the European Community a smaller net pork importer in 1977 than the previous two years. Net pork imports in 1977 are forecast at 74,000 tons (carcass weight).

The 3 percent gain in poultry production will be consumed largely within the Community, although there probably will be a small increase in net exports of poultry to third countries.

Canada

Total meat production in Canada in 1977 is currently forecast at 2.2 million tons, up slightly from both the April 1 estimate and the 1976 level. Beef and veal production is expected to drop less than 1 percent, while pork and poultry output is forecast to increase by 7 and 3 percent, respectively, from 1976 levels.

Because of dry conditions in Western Canada, cattle slaughter during the first five months of 1977 was more than 9 percent above the 1976 level, postponing the expected 1977 slowdown in beef herd liquidations. Female cattle slaughter in Western Canada was about 8 percent above year-earlier levels during January-May. For the second half of 1977, cattle slaughter is expected to drop below year-earlier levels, allowing prices to rise somewhat.

Pork production is not expanding as rapidly as earlier expected, perhaps due to the reluctance of grain-hog producers in Western Canada to increase hog output in the face of favorable returns from direct sales of barley. Hog marketings are expected to average above year-earlier levels during the first three quarters of 1977, largely because of increased farrowings in Eastern Canada. Marketings in the fourth quarter of 1977 may not be significantly different from year-earlier levels.

Recovering from the large 1975 drop, Canada's poultry meat production is forecast to increase 3 percent in 1977, following an 11 percent increase in 1976. Imports of poultry meat, which rose drastically in 1976, are forecast to be high again in 1977, although perhaps less than in 1976.

Net Imports of beef and veal are currently forecast at 47,000 tons (carcass weight), about half of the 1976 level. Imports of fresh, chilled and frozen beef and veal will be limited by quotas to 66,000 tons (product weight), of which the United States has been allocated 11,220 tons. January-May U.S. shipments of beef and veal to Canada totaled only 2,029 tons, down 52 percent from the year-earlier level.

Through June 4, U.S. imports of fresh, chilled and frozen beef and veal from Canada totaled 48,018 tons (product weight), 64 percent of the 1977 Canadian allocation under the U.S. program of voluntary import restraints.

U.S. live cattle imports from Canada in May were 89 percent above the May 1976 level, mostly because of the dry conditions in Western Canada, and through the first 5 months were 8 percent above year-earlier levels. In the second half of 1976, Canadian shipments of live cattle to the United States are expected to drop below 1976 levels because of Canadian controls on beef imports and a lower beginning-year cattle inventory.

Japan

Projected Japanese meat production has risen slightly since the April 1 report because of an increase in pork production. Total meat production in 1977, is forecast to climb 7 percent to 2.3 million tons, with beef output up 10 percent to 320,000 tons, pork up 7 percent to 1.1 million tons, and poultry up 6 percent to 886,000 tons. Slaughter increases for each class are expected to parallel production increases.

Imports in 1977 are forecast at approximately the same levels for beef, mutton and poultry as in 1962. Pork imports will be down substantially largely because of the pork import duty, which, waived during much of 1976, has been in effect throughout 1977 to date. Currently, domestic prices are below the ceiling price of 776 yen per kilogram (about \$2.95) and are forecast to remain below that price for some time. The duty will probably be waived this year.

During the first 4 months of 1977, Japanese imports of mutton and beef were up 11 and 5 percent, respectively, pork and horsemeat imports down 26 and 17 percent, respectively. In April the average delivered prices of

mutton and pork were up 8 and 9 percent, respectively, while beef prices were unchanged from year-ago levels. Since mutton prices are expected to remain strong throughout 1977--and with consumers demanding more pork based products--there may be some substitution of pork imports for mutton imports.

On May 2, the Japanese Government announced the general beef import quota for the first half of the Japan fiscal year 1977/1978 at 35,000 tons. This is the same as the previous 6-month quota, but 10,000 tons below the semi-annual general quota announced a year ago. In addition, it was announced that 5,000 tons of beef would be allocated to various special quotas in the near future. The lower quota level may be because Japanese domestic beef prices have been lower than last year's. In May, dairy steer carcass prices were 10 percent below those of a year earlier and 9 percent below January prices. In the last week of May the dairy steer carcass price was \$4.41 per kilogram--13 percent above the support price but 14 percent below the ceiling price. If there should be a further decline in beef prices, projected Japanese beef imports may have to be revised downward.

Japan is expected to import 6,000 head of feeder calves this year compared to only a few hundred head in 1976. Also, in 1976, Japan imported about 3,000 head of slaughter cattle of which 2,260 were from the United States. In the first 4 months of 1977, 1,764 head of U.S. slaughter cattle (equal to approximately 500 tons of carcass beef) were imported, representing virtually all of the cattle imported for slaughter so far this year. In these same months last year, only 502 head were imported from the United States. There is a high duty on these imports; however, the very high price of beef in Japan counteracts much or all of the effect of this duty. The lack of quarantine space is the only real quantitative limitation.

USSR

According to the Soviets' Five-Year Plan, meat production is still targeted at 14.5 million tons for 1977. If the Soviets achieve their goal, which seems likely, meat production in 1977 will increase 9 percent over the year-earlier level. Of the total 1977 production, pork is expected to account for about half, while beef and veal will make up most of the remainder.

Beef and veal production in the USSR is forecast at 6.7 million tons in 1977, a 5 percent increase over the 1976 level of 6.4 million tons. Beef production will be up because of larger inventories and higher slaughter levels.

Pork production is expected to be up 19 percent to the high level of 5.0 million tons in the current year, primarily because of increased hog inventories.

Mutton and lamb output is forecast at 1.0 million tons, an increase of about 11 percent over the 1976 level. Small gains are also expected in poultry meat production.

Since domestic meat supplies are expected to improve this year because of larger feed supplies and greater livestock numbers, imports are not likely to be greatly different from the 1976 level of 359,000 tons (product weight). Imports of meat and meat products in 1977 will probably be between 300,000 and 400,000 tons. To date, the USSR reportedly has purchased 54,500 tons of beef and 14,500 tons of mutton and lamb (product weight) from Australia. Total purchases of beef from Australia are expected to be in the range of 75,000 tons. The Soviets are still in the market for beef; however, price appears to be the main factor contributing to the slowdown of imports. The Soviets are also approaching New Zealand beef companies in the hope of obtaining cheaper beef. Total purchases from New Zealand are projected to amount to 26,000 tons (product weight). This would be about 8,000 tons more than the Soviets purchased from New Zealand in 1976.

Major Exporters

Australia

Beef and veal production in Australia is forecast at 1.95 million tons in 1977, up 2.6 percent from the estimate made on April 1, and 4 percent above the 1.87 million tons produced in 1976. Cattle and calf slaughter is expected to total about 11.5 million head in 1977, up 3 percent from the year-earlier total.

The rate of slaughtering of female cattle and calves is continuing at nearly the same pace as last year, which was the highest since the mid-1960's. The fair to good seasonal conditions throughout most of Australia are being countered by the economic pressures and lack of producer confidence in the industry, which are resulting in the continued liquidation of herds. The number of cattle sold for slaughter may continue at a high level well into 1978, unless producers regain confidence in the future prospects for the cattle industry and begin withholding female cattle for herd replacement.

Cattle numbers were reported at 32 million head on March 31, 1977, a decline of 4 percent from the year-earlier inventory. Expectations are that by March 31, 1978, cattle numbers will have declined by another 1-2 million head.

Primarily because of improved seasonal conditions during the breeding season, lamb production is forecast about 6 percent above 1976 levels, but mutton production is expected to decline around 18 percent, as some flock rebuilding occurs as a result of the improved outlook for wool and the good outlook for the export of live sheep to the Middle East.

Domestic consumption of beef and veal is expected to be about 980,000 tons compared with 960,000 tons in 1976. Market indicators are not yet strong enough to suggest that the relatively strong export market and higher domestic

prices resulting from a 17.5 percent devaluation of Australia's currency against the U.S. dollar last fall will cause any decline in beef consumption as sheep meats are less plentiful. Even with the heavy commitment to other markets and the problems with the diversification scheme, most reports indicate that Australia will have little difficulty in supplying its share 296,200 tons, (product weight) of U.S. meat imports under the 1977 voluntary restraint program. The United States is still the premium market for Australian beef.

Based on the assumption that projected levels of production and consumption will be achieved and the estimated carry in stocks of 107,000 tons, a total of 1.074 million tons of beef and veal (carcass weight) will be available for export during 1977. However, actual export forecasts remain unchanged at 675,000 tons (product weight), compared with 573,000 tons in 1976. On a carcass weight basis, these numbers are equivalent to 1.0 million tons and 860,000 tons, respectively.

Australia's major export markets in order of importance will likely be the United States, the USSR, Japan, the Middle East, and Eastern Europe. Beef and veal exports to the United States are now estimated to be near the agreed restraint level for 1977 of 296,000 tons (product weight). Shipments, including carryover from 1976, through June against the 1977 agreement level are now estimated at about 167,000 tons. July and August shipments are projected to total about 69,000 tons, leaving a balance of 60,000 tons for shipment in September and October. The Meat Board expects shipments against the 1977 restraint level to be completed by October 31, but some shipments could be made in November if necessary.

Estimated sales to Canada remain at the quota level of 27,000 tons (product weight), minus the quantities of Australian beef held in Canadian bonded warehouses on January 1, with little prospect of any increase since Canada has already filled a large share of their export quota in the United States market under the 1977 voluntary restraint commitment. Thus, the level of Australian beef exports to North America is firmly set at some 30,000 tons less than was shipped in 1976, and Australian exporters continue to seek out other markets.

Estimates of sales to the USSR have been increased 5,000 tons to 75,000 tons (product weight). The Soviets reportedly are looking for considerably more beef but recent price uncertainties may have tempered their demands.

The Japanese market continues to be uncertain as the general quota for the first half of the 1977/78 fiscal year (beginning April) was set at 35,000 tons (product weight), compared to 45,000 tons a year ago. The Japanese delegation that visited Australia in April indicated that imports of chilled beef would be reduced during the fiscal year. Total beef exports to Japan are now forecast at 70,000 tons, compared to 72,000 tons in 1976.

The East European countries have continued to show a strong interest in importing beef, though no new contracts above the 30,000 tons (product weight), already purchased have been completed. Exports of beef to Eastern Europe for the entire year remain projected at 50,000 tons, but could be as high as 60,000 tons.

Prospects for exports of beef to the European Community have not developed because demand has stagnated in the United Kingdom and Italy, the two major importing countries. Estimates place total EC imports to be no more than 25,000 tons (product weight), of Australian beef in 1977.

The outlook for Australian sales to the Middle East has improved with an Egyptian contract for some 18,000 tons (product weight), and their reported interest in an additional 10,000-12,000 tons of Australian beef. Iran is expected to purchase 10,000 tons and Israel at least 10,000 tons. Total sales to the Middle East are forecast at 55,000 tons.

New Zealand

Beef and veal production in New Zealand is forecast at 535,000 tons in 1977, up 35,000 tons from the second estimate made on April 1, but still 77,000 tons below the 1976 total. This year's cattle slaughter is projected at 3.2 million head, down 17 percent from the record slaughter in 1976. The adult cattle/calf slaughter ratio is expected to remain roughly the same in 1977 as in 1976. Delayed marketings have resulted in an increase in average slaughter and dressed weights, with dressed weights averaging nearly 3 kilograms heavier than in 1976. Pasture conditions continued to be good as of early June.

Domestic consumption of beef and veal is expected to continue to follow population increases and rise from 174,000 tons (carcass weight) in 1976 to 191,000 tons in 1977. Per capita consumption, over the long run, will probably continue its slow decline. Per capita consumption was 59 kilograms in 1975 and 55 kilograms in 1976. Consumers are eating more beef this year due to comparatively more favorable prices for beef relative to sheep meats.

Assuming that the 1977 projected levels of production and consumption will be attained, the 1977 surplus of beef and veal available for export is forecast at 348,000 tons (carcass weight). In addition, freezer stocks of beef and veal carried over from 1976 are estimated at 84,000 tons (carcass weight). Thus, the total tonnage available for export during 1977 is estimated at 432,000 tons (carcass weight).

Exports of beef and veal are forecast at 360,000 tons (carcass weight) in 1977--on a product weight basis, 240,000 tons, which is about 9,000 tons less than in 1976. Exports to the United States and Canada are expected to be around 122,000 and 27,500 tons (product weight) respectively--the approximate levels of the restraints agreement on exports to the United States and the Canadian quota on imports from New Zealand.

New Zealand's exports of beef and veal to the Far East and Southeast Asian countries are forecast at about 10,000 tons (product weight) in 1977 up slightly from the 1976 total. Exports to the Middle East and the EC are expected to reach 4,000 and 10,000 tons, respectively, essentially unchanged from their 1976 levels. Due to the strong demand of the Soviet Union, exports to the USSR are projected to total 26,000 tons, 8,000 tons above the 1976 total. New Zealand's exports to minor markets in 1977 are forecast to total about 22,500 tons, down 10,800 tons from year-earlier levels.

Central America and Hispaniola

Beef production in the seven countries of Central America is projected to total 343,000 tons in 1977, down slightly from the April 1 estimate. Pasture conditions in all of the Central American countries were poor in the first third of the year because of a wet winter and a delay in spring rains. As of early May pastures were in critical condition in Panama, Nicaragua, and Costa Rica. In El Salvador, pastures have started to improve because of recent rains.

On Hispaniola, the drought has been broken but farmers in the Dominican Republic have been holding back cattle both to force the Government to grant higher market prices and to put more weight on their drought emaciated cattle. The Government reacted to the hold back of cattle by embargoing beef exports. The embargo has now been lifted, but exports of beef from the Dominican Republic may run behind schedule this year.

Costa Rica and several of the other Central American countries have tried to develop new markets for their beef. Increased sales of live cattle and beef have been made to Venezuela and sales to Israel have also taken place. However, the United States remains the most important market.

Unusually dry weather and low U.S. prices have reduced the level of U.S. imports from Central America and Hispaniola. As of June 4, U.S. imports of beef from Central America and Hispaniola (excluding year-end stocks in bonded warehouses) were down 22 percent from year ago levels. However, U.S. imports from the area are expected to reach the restraint levels by the end of 1977.

Mexico

Since the April 1 estimate, there has been a slight reduction in projected cattle slaughter and beef production in Mexico. Production is now expected to total about 1 million tons in 1977--10,000 tons below the estimate made on April 1, but still about 1 percent above that of 1976. Expected pork production remains unchanged at 412,000 tons but poultry production estimate has been reduced. For 1977, poultry production is now forecast at 318,000 tons up 6 percent from that of 1976, instead of the 9 percent forecast in the April estimate.

In the first 5 months of 1977, Mexico exported 12,700 tons (product weight) of beef to the United States. Maquila beef (beef produced from cattle imported from the United States), which accounted for about 30 percent of 1976 exports, has been less than 1 percent this year with no trade in this product since the end of March. Total exports are expected to reach 27,400 tons (product weight). The United States is expected to receive all but 150 tons, which is to be exported to Japan.

Argentina

Since April, the Argentine beef situation has deteriorated. Cattle prices, when measured in real terms, have fallen below year-earlier levels because the expected improved market for beef in Western Europe has not developed. As a result, cattle slaughter is expected to reach 13.0 million head, 5 percent below 1976 levels but 6 percent above the April 1 estimate.

Beef production is expected to reach 2.7 million tons, down slightly from year ago levels but nearly 5 percent above the April 1 estimate.

Per capita beef consumption is currently estimated at 83 kilograms in 1977--about 6 percent above the April 1 projection and within the normal range. This will tend to keep domestic prices from reaching inflationary levels.

Argentine beef exports are now projected at 530,000 tons (carcass weight), unchanged from last year but 70,000 tons below the estimate made on April 1.

The reduced level of expected exports is due to the lack of growth in the European Community market, Argentina's only premium beef market. Sales to new markets face strong competition from Australia and New Zealand, and from subsidized sales from the European Community.

U.S. imports of Argentine beef in the first 4 months of 1977 were 3 percent below 1976 levels. On March 1, 1977, the duty preference for Argentine canned corned beef, which had been granted under the Generalized System of Preferences given developing countries, was removed. The concession was rescinded when imports exceeded the values permitted for the 1976 calendar year.

Uruguay

Since the estimate made on April 1, the 1977 Uruguayan livestock situation has become less favorable. Both slaughter and exports are expected to be below earlier estimates. Cattle slaughter is now estimated at 1.95 million head compared to the 2.1 million head forecast on April 1.

Beef production is forecast down 10,000 tons from the April 1 estimate to 390,000 tons. Per capita consumption is expected to fall to 70 kilograms compared to the 72 kilograms projected on April 1.

Heavy cow slaughter in recent years appears to have resulted in reduced fat cattle supplies. Domestic prices have also remained low. The average live steer price in May was only 11 cents per pound and this is discouraging herd expansion.

Exports are expected to reach only 195,000 tons (carcass weight), 25,000 tons below the April 1 estimate. The average first quarter export f.o.b. price (carcass weight) was \$711 per ton compared to \$536 per ton in 1976, however, the level of export volume in the first 2 months was off 35 percent from the same period a year earlier.

TABLE 1--BEEF AND VEAL: WORLD IMPORTS BY SELECTED COUNTRIES AND TOTAL FOR ALL COUNTRIES, 1973 TO DATE--CARCASS WEIGHT EQUIVALENT
(In thousands of metric tons)

Country	1973	1974	1975	Preliminary 1976	Estimated 1977 1/
United States.....	917	747	808	909	900
EC 2/.....	985	433	186	295	315
Canada.....	104	84	87	143	97
Japan.....	194	77	64	130	142
Spain.....	81	14	27	44	30
Greece.....	63	26	36	80	60
Switzerland.....	41	20	15	20	20
Germany, East.....	46	20	35	40	46
USSR.....	16	293	372	275	250
Chile.....	18	44	5	5	7
Portugal.....	20	36	24	36	44
Other countries.....	306	262	650	800	850
Total	2,791	2,056	2,309	2,777	2,761

1/ FAS estimates. 2/ Excludes intra-trade.

TABLE 2--BEEF AND VEAL: WORLD EXPORTS BY SELECTED COUNTRIES AND TOTAL FOR ALL COUNTRIES, 1973 TO DATE--CARCASS WEIGHT EQUIVALENT.
(In thousands of metric tons)

Country	1973	1974	1975	Preliminary 1976	Estimated 1977 1/
P.L. 88-482: 2/.....					
Australia	920	485	745	860	1,000
New Zealand 3/.....	316	258	305	379	360
Canada.....	41	27	21	59	50
Mexico.....	39	19	14	23	27
Central America 4/.....	132	115	124	133	150
Subtotal.....	1,448	904	1,209	1,454	1,587
EC 5/.....	82	207	234	165	125
Argentina.....	500	289	266	529	530
Uruguay.....	109	120	113	195	195
Other countries....	703	530	525	400	400
Subtotal.....	1,394	1,146	1,138	1,289	1,250
Grand total.....	2,842	2,050	2,347	2,743	2,837

1/ FAS forecast. 2/ Excludes Ireland. 3/ Year ending September. 4/ Includes Dominican Republic and Haiti. 5/ Excludes intra-trade

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TABLE 3--BEEF AND VEAL: CONSUMPTION, PRODUCTION, AND IMPORTS FOR UNITED STATES, EC, AND JAPAN, 1971 TO DATE--CARCASS WEIGHT EQUIVALENT

Country and year	Per capita consumption	Domestic production	Imports	Wholesale prices 2/		
	Index : 1971 : = 100	Quantity : 1,000 M.T. : Index : 1971 : = 100	As share of : production : Index : 1971 : = 100	Share of : world : imports : Percent	Cents : per kg. : Index : 1971 : = 100	
United States:						
1971.....	52	10,182	100	797	8	107.14 : 100
1972.....	54	10,377	102	905	9	116.62 : 109
1973.....	51	9,813	96	917	9	142.37 : 133
1974.....	54	10,716	105	747	7	144.14 : 135
1975.....	56	11,271	111	808	7	150.50 : 140
1976 3/.....	60	12,166	119	909	7	134.19 : 125
1977 4/.....	58	11,685	115	900	8	140.00 : 131
EC:						
1971.....	25	6,058	100	560	9	143.03 : 100
1972.....	25	5,506	91	952	17	186.62 : 130
1973.....	25	5,575	92	985	18	237.94 : 166
1974.....	25	6,585	109	433	7	229.98 : 161
1975.....	25	6,568	108	186	3	276.81 : 194
1976 3/.....	25	6,460	107	295	5	281.00 : 196
1977 4/.....	25	6,190	102	315	5	300.00 : 210
Japan:						
1971.....	3	275	100	63	23	238.89 : 100
1972.....	4	295	107	87	29	280.34 : 117
1973.....	4	227	83	194	85	478.31 : 200
1974.....	3	292	106	77	26	396.39 : 166
1975.....	4	340	124	64	19	487.37 : 204
1976 3/.....	4	298	108	130	44	590.00 : 247
1977 4/.....	4	320	116	142	44	650.00 : 272
1/ Intra-trade excluded for EC and world total. 2/ U.S. dressed fresh beef, good--600-700 pounds; Midwest; EC; Hamburg--Wholesale price of bullock and heifers. Japan; Fattened Wagyu cattle. 3/ Preliminary. 4/ Estimate.						

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TABLE 4--MEAT PRODUCTION IN MAJOR IMPORTING AREAS, 1973 TO
DATE--CARCASS WEIGHT EQUIVALENT
(In thousands of metric tons)

Commodity and country	1973	1974	1975	1976	Forecast 1977
Beef and veal:					
United States.....	9,813	10,716	11,271	12,166	11,685
Canada.....	897	942	1,050	1,139	1,128
EC.....	5,575	6,585	6,658	6,460	6,190
Japan 3/.....	227	292	340	298	320
Total.....	16,512	18,535	19,229	20,063	19,323
Pork:					
United States.....	5,784	6,262	5,218	5,631	5,985
Canada.....	617	611	521	512	550
EC.....	7,641	7,898	7,789	7,940	8,176
Japan 3/.....	842	958	910	1,056	1,125
Total.....	14,884	15,729	14,438	15,139	15,836
Mutton and lamb:					
United States.....	223	211	186	169	57
Canada.....	10	8	8	8	8
EC.....	483	508	529	525	520
Japan 3/.....	1/	1/	1/	1/	1/
Total.....	716	727	723	702	685
Poultry: 2/					
United States.....	4,871	4,938	4,825	5,379	5,578
Canada.....	473	469	412	458	471
EC.....	3,188	3,126	3,101	3,296	3,415
Japan.....	698	740	756	839	886
Total.....	9,230	9,273	9,094	9,972	10,350
Total meat:					
United States.....	20,691	22,127	21,500	23,345	23,305
Canada.....	1,997	2,030	1,991	2,117	2,157
EC.....	16,887	18,117	17,987	18,221	18,301
Japan.....	1,767	1,990	2,006	2,193	2,331
Total.....	41,342	44,264	43,484	45,876	46,094

1/ Less than 500 metric tons. 2/ Product weight basis. 3/ Prior to 1976
Japanese Ministry of Health and Welfare, 1976 forward Japanese Ministry of
of Agriculture and Forestry.

June 1977

TABLE 5--NET MEAT IMPORTS IN MAJOR IMPORTING AREAS,
1973 TO DATE--CARCASS WEIGHT EQUIVALENT
(In thousands of metric tons)

Commodity and country	1973	1974	1975	1976	Forecast 1977
Beef and veal:					
United States.....	875	718	784	868	860
Canada.....	63	57	66	84	47
EC 1/.....	903	226	-48	130	190
Japan.....	194	77	64	130	142
Total.....	2,035	1,078	866	1,212	1,239
Pork:					
United States.....	156	166	99	44	60
Canada.....	-32	-5	4	52	41
EC 1/.....	-61	-69	84	119	74
Japan.....	153	60	178	204	140
Total.....	216	152	365	419	315
Mutton and lamb:					
United States.....	23	10	10	16	15
Canada.....	35	22	20	20	21
EC 1/.....	310	235	254	265	260
Japan.....	266	180	262	272	270
Total.....	634	447	546	573	566
Poultry: 2/					
United States.....	-76	-74	-95	-182	-200
Canada.....	6	1	10	25	20
EC 1/.....	-71	-88	-65	-97	-115
Japan.....	25	25	19	36	34
Total.....	-116	-136	-131	-218	-261
Total Meat:					
United States.....	978	820	798	746	735
Canada.....	72	75	100	181	129
EC 1/.....	1,081	304	225	417	409
Japan.....	638	342	523	642	586
Total.....	2,769	1,541	1,646	1,986	1,859

1/ Excludes intra-trade. 2/ Product weight basis.

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TABLE 6--PRODUCTION AND EXPORTS OF BEEF AND VEAL BY MAJOR EXPORTING COUNTRIES, 1973 TO DATE--CARCASS WEIGHT EQUIVALENT
(In thousands of metric tons)

Country	1973	1974	1975	Preliminary 1976	Estimate 1977
Production:					
P.L. 88-482 countries: <u>1/</u>					
Australia.....	1,497	1,267	1,696	1,869	1,950
New Zealand <u>2/</u>	449	415	507	612	535
Central America <u>3/</u>	333	318	340	371	388
Mexico.....	745	844	889	986	1,000
Subtotal.....	3,024	2,844	3,432	3,838	3,873
Other:					
Argentina.....	2,152	2,163	2,439	2,792	2,665
Uruguay.....	256	330	345	405	390
Subtotal.....	2,408	2,493	2,784	3,197	3,055
Total.....	5,432	5,337	6,216	7,035	6,928
Exports:					
P.L. 88-482 countries: <u>1/</u>					
Australia.....	920	485	745	860	1,000
New Zealand <u>2/</u>	316	258	305	379	360
Central America <u>3/</u>	132	115	124	133	150
Mexico.....	39	19	14	23	27
Subtotal.....	1,407	877	1,188	1,395	1,537
Other:					
Argentina.....	500	289	266	529	530
Uruguay.....	109	120	113	195	195
Subtotal.....	609	409	379	724	725
Total.....	2,016	1,286	1,567	2,119	2,262

1/ Excludes Canada and Ireland. 2/ Year ending September. 3/ Includes Haiti and Dominican Republic

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TABLE 7--PRODUCTION AND EXPORTS OF MUTTON AND LAMB BY EXPORTING COUNTRIES, 1973 TO DATE--CARCASS WEIGHT EQUIVALENT (in thousands of metric tons)

COUNTRY	:	1973	1974	1975	1976	Estimated 1977
Production:	:					
Australia.....:	:	572	467	549	594	535
New Zealand <u>1</u> /.....:	:	554	501	509	511	535
Argentina.....:	:	128	112	123	133	119
Total.....:	:	1,254	1,080	1,181	1,238	1,189
Exports:	:					
Australia.....:	:	230	123	219	260	210
New Zealand <u>1</u> /.....:	:	435	393	397	396	420
Argentina.....:	:	28	25	27	39	40
Total	:	693	541	643	695	670
<u>1</u> / Year ending September						

June 1977

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